

AR49



Head Office, Montreal

BANK OF MONTREAL


CANADA'S FIRST BANK

Covers Canada Spans the World



OCTOBER 31st, 1966

149th Annual Statement



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ANNUAL GENERAL MEETING

NOTICE is hereby given that the ANNUAL GENERAL MEETING of the Shareholders will be held at the Head Office, 129 St. James Street West, Montreal, on MONDAY, the FIFTH day of DECEMBER next.

The chair will be taken at 11 o'clock a.m.

HIGHLIGHTS

149th

Annual Statement

	1966	1965
Total Assets	\$5,422,750,494	\$4,997,145,367
Securities	1,045,706,475	975,309,060
Loans	3,279,997,060	3,167,990,306
Deposits	4,995,368,152	4,605,387,144
Earnings for the year	19,905,599	18,730,353
Earnings per share	3.28	3.08
Dividends Paid	14,428,125	13,820,625
Provision for Income Taxes	20,988,731	19,410,311
Shareholders' Funds	230,694,801	225,217,327

BOARD OF DIRECTORS

*Chairman of the Board and President: *G. ARNOLD HART*

*Executive Vice-President and Chief General Manager: *R. D. MULHOLLAND*

Vice-Presidents

- | | |
|--|---|
| *HAROLD S. FOLEY Vancouver
<i>Industrialist</i> | ROGER LÉTOURNEAU, Q.C. Quebec
<i>Partner, Messrs. Létourneau, Stein, Marselle, Bienvenue, Price, Delisle & LaRue</i> |
| THE HON. LESLIE M. FROST, P.C., Q.C. Lindsay
<i>Partner, Messrs. Frost, Inrig & Gorwill</i> | *J. A. MacAULAY, Q.C. Winnipeg
<i>Partner, Messrs. Aikins, MacAulay & Company</i> |
| *R. G. IVEY, Q.C. London, Ont.
<i>Partner, Messrs. Ivey & Dowler</i> | *THE HON. HARTLAND deM. MOLSON, O.B.E. . . . Montreal
<i>Chairman of the Board, Molson Breweries Limited</i> |
| W. A. ARBUCKLE Montreal
<i>Chairman of the Canadian Board, The Standard Life Assurance Company</i> | BERNARD M. LECHARTIER Montreal
<i>Vice-President and General Manager, Crédit Foncier Franco-Canadien</i> |
| W. M. VACY ASH Toronto
<i>Company Director</i> | ARTHUR R. LUNDRIGAN Corner Brook, Nfld.
<i>Vice-President and General Manager, William J. Lundrigan Limited</i> |
| R. C. BERKINSHAW, C.B.E. Toronto
<i>Business Executive</i> | DONALD A. McINTOSH, Q.C. Toronto
<i>Partner, Messrs. Fraser, Beatty, Tucker, McIntosh & Stewart</i> |
| PAUL BIENVENU Montreal
<i>President, Catelli Food Products Ltd.</i> | *D. R. McMASTER, Q.C. Montreal
<i>Partner, Messrs. Holden, Hutchison, Cliff, McMaster, Meighen & Minnion</i> |
| HENRY G. BIRKS Montreal
<i>President, Henry Birks & Sons Ltd.</i> | H. C. F. MOCKRIDGE, Q.C. Toronto
<i>Partner, Messrs. Osler, Hoskin & Harcourt</i> |
| GEORGE W. BOURKE Montreal
<i>Chairman of the Board, Sun Life Assurance Company of Canada</i> | J. BARTLETT MORGAN Montreal
<i>President, The Morgan Trust Company</i> |
| RALPH B. BRENNAN Saint John, N.B.
<i>President and Managing Director, G. E. Barbour Company, Limited</i> | H. J. S. PEARSON Edmonton
<i>President, Prairie Pacific Distributors Limited</i> |
| SAMUEL BRONFMAN Montreal
<i>President, Distillers Corporation-Seagrams Ltd.</i> | JACK PEMBROKE, C.B.E. Montreal
<i>Chairman of the Board, The Royal Trust Company</i> |
| THE HON. ERIC COOK, Q.C. . . . St. John's, Nfld.
<i>Partner, Messrs. Cook, Bartlett, Chalker & Marshall</i> | JOHN G. PRENTICE Vancouver
<i>President, Canadian Forest Products Limited</i> |
| H. ROY CRABTREE Montreal
<i>Chairman and President, The Wabasso Cotton Company Limited</i> | BUDD H. RIEGER Toronto
<i>Vice-President, Canadian Corporate Management Co. Ltd.</i> |
| N. R. CRUMP Montreal
<i>Chairman, Canadian Pacific Railway Company</i> | FORREST ROGERS Vancouver
<i>President, B.C. Sugar Refinery, Limited</i> |
| NATHANAEL V. DAVIS Montreal
<i>President, Alcan Aluminium Limited</i> | LUCIEN G. ROLLAND Montreal
<i>President and General Manager, Rolland Paper Co. Ltd.</i> |
| THOMAS W. EADIE Montreal
<i>Chairman of the Board, The Bell Telephone Co. of Canada</i> | V. W. SCULLY, C.M.G. Hamilton
<i>Chairman and Chief Executive Officer, The Steel Company of Canada, Limited</i> |
| G. BLAIR GORDON Montreal
<i>Business Executive</i> | GEORGE H. SELLERS Winnipeg
<i>President, Federal Grain Limited</i> |
| SIR NUTCOMBE HUME, K.B.E., M.C. London, England
<i>Chairman, Charterhouse Investment Trust Limited</i> | G. H. SHEPPARD Toronto
<i>Chief Commissioner, Liquor Control Board of Ontario</i> |
| LEONARD HYNES Montreal
<i>President, Canadian Industries Limited</i> | THE HON. JAMES SINCLAIR, P.C. . . . Vancouver
<i>Chairman of the Board, Lafarge Cement of North America Ltd.</i> |
| ARTHUR C. JENSEN Montreal
<i>Former Chairman of the Board, Bank of Montreal</i> | *H. GREVILLE SMITH, C.B.E. Montreal
<i>Industrialist</i> |
| J. H. MOWBRAY JONES Montreal
<i>President, Bowaters Canadian Corporation Limited</i> | GEORGE C. SOLOMON Regina
<i>President, Western Tractor Limited</i> |
| DAVID KINNEAR Toronto
<i>Executive Vice-President and Chief Executive Officer, The T. Eaton Co. Limited</i> | NOÉ A. TIMMINS, JR. Nassau
<i>Chairman, Timmins Investments Limited</i> |
| W. S. KIRKPATRICK Montreal
<i>Chairman and Chief Executive Officer, Cominco Limited</i> | HENRY S. WINGATE New York
<i>Chairman, The International Nickel Company of Canada, Ltd.</i> |

*Member Executive Committee

Senior General Manager and Chief Operating Officer: J. L. WALKER

BANK OF MONTREAL

FOUNDED IN 1817

Statement of Undivided Profits

FOR THE YEAR ENDED OCTOBER 31st

	1966	1965
Earnings for the year after making transfers to inner reserves, out of which full provision for diminution in the value of investments and loans has been made, and after provision for depreciation of bank premises and income taxes*	\$ 19,905,599	\$ 18,730,353
Deduct:		
Dividends at the rate of \$2.20 (1966) and \$2.12½ (1965) per share	13,365,000	12,909,375
Extra dividend at the rate of 17½¢ (1966) and 15¢ (1965) per share	1,063,125	911,250
	\$ 14,428,125	\$ 13,820,625
Amount carried forward	\$ 5,477,474	\$ 4,909,728
Undivided profits at beginning of year	\$ 1,467,327	\$ 1,557,599
	\$ 6,944,801	\$ 6,467,327
Transferred to Rest Account	5,000,000	5,000,000
Undivided profits at end of year	\$ 1,944,801	\$ 1,467,327
*Total provision for income taxes.....	\$20,988,731	\$ 19,410,311

Statement of Rest Account

FOR THE YEAR ENDED OCTOBER 31st

	1966	1965
Rest Account at beginning of year	\$163,000,000	\$158,000,000
Transferred from Undivided Profits	5,000,000	5,000,000
Rest Account at end of year	\$168,000,000	\$163,000,000

G. ARNOLD HART,
President.

R. D. MULHOLLAND,
Chief General Manager.

STATEMENT OF ASSETS

Comparative Statement of the Position of the Bank

ASSETS	1966	1965
Gold and coin	\$ 7,901,367	\$ 7,633,023
Notes of and deposits with Bank of Canada	333,854,418	251,933,058
Government and bank notes other than Canadian	6,261,338	5,609,557
Deposits with other banks	348,685,455	267,672,858
Cheques and other items in transit, net	128,313,059	82,670,664
	<u>\$ 825,015,637</u>	<u>\$ 615,519,160</u>
Government of Canada direct and guaranteed securities, at amortized value	848,622,528	741,803,425
Canadian provincial government direct and guaranteed securities, at amortized value	57,538,351	69,963,636
Other securities, not exceeding market value	139,545,596	163,541,999
Day-to-day, call and short loans to investment dealers and brokers, secured	220,473,011	267,893,643
	<u>\$2,091,195,123</u>	<u>\$1,858,721,863</u>
Other current loans, less provision for estimated loss	2,879,008,878	2,707,195,546
Mortgages and hypothecs insured under the National Housing Act, 1954	180,104,509	192,441,969
Non-current loans, less provision for estimated loss	410,662	459,148
Bank premises at cost, less amounts written off	74,271,785	69,947,668
Shares of and loans to corporations controlled by the bank	14,827,772	14,750,772
Customers' liability under acceptances, guarantees and letters of credit, as per contra	180,498,449	152,106,729
Other assets	2,433,316	1,521,672
	<u><u>\$5,422,750,494</u></u>	<u><u>\$4,997,145,367</u></u>

ASSETS AND LIABILITIES

October 31st, 1966, and on October 31st, 1965

LIABILITIES	1966	1965
Deposits by Government of Canada	\$ 103,231,765	\$ 102,814,846
Deposits by Canadian provincial governments	165,922,625	87,978,999
Deposits by other banks	267,995,202	266,106,828
Personal savings deposits payable after notice, in Canada, in Canadian currency	2,306,508,095	2,166,822,129
Other deposits	2,151,710,465	1,981,664,342
	<u>\$4,995,368,152</u>	<u>\$4,605,387,144</u>
Acceptances, guarantees and letters of credit	180,498,449	152,106,729
Other liabilities	16,189,092	14,434,167
	<u>\$5,192,055,693</u>	<u>\$4,771,928,040</u>
Capital:		
Capital authorized—		
10,000,000 shares of		
\$10 each.....	\$100,000,000	
Capital paid-up—		
6,075,000 shares—issued and		
fully paid	60,750,000	60,750,000
Rest Account	168,000,000	163,000,000
Undivided profits	1,944,801	1,467,327
	<u>\$5,422,750,494</u>	<u>\$4,997,145,367</u>

NOTE: The above statement includes the assets and liabilities of the Bank of Montreal (California), a subsidiary of this Bank.

G. ARNOLD HART,
President.

R. D. MULHOLLAND,
Chief General Manager.

Auditors' Report to the Shareholders of the Bank of Montreal

We have examined the statement of assets and liabilities of the Bank of Montreal as at October 31st, 1966, and have obtained all the information and explanations we have required. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

The accompanying statement of assets and liabilities is as shown by the books of the Bank. In our opinion the transactions of the bank which have come under our notice have been within the powers of the Bank and the accompanying statement of assets and liabilities presents fairly the financial position of the Bank as at October 31st, 1966.

C. W. LEACH, C.A.,
of the firm of McDonald, Currie & Co.

Wm. H. CAMPBELL, C.A.,
of the firm of Campbell, Sharp, Milne & Co.

} Auditors.

Montreal, November 21st, 1966.

CONTROLLED

Bank of Montreal Trust Company

Statement of Assets and Liabilities
as at December 31st, 1965
(U.S. Currency)

ASSETS

Due from banks:		
Approved reserve depositaries	\$1,642,402	
Other banks and bankers (foreign)	60,200	
	<hr/>	\$1,702,602
Investments:		
United States government securities	\$3,569,054	
Other	248,804	
(Quoted market value \$3,780,249)		3,817,858
Other assets		41,344
		<hr/>
		<u>\$5,561,804</u>

LIABILITIES

Deposits:		
Demand	\$3,255,755	
Time	6,498	
Due to banks, bankers and trust companies	1,389	
	<hr/>	\$3,263,642
Income taxes		22,898
Other liabilities		4,999
Capital stock and surplus:		
Capital stock—Authorized, issued and fully paid— 10,000 shares of \$100 each	\$1,000,000	
Surplus	1,000,000	
Undivided profits	270,265	
	<hr/>	2,270,265
		<u>\$5,561,804</u>

NOTE: The charter was acquired in March, 1937, for the purpose of more satisfactorily performing certain functions in New York on behalf of the bank's clients. The capital stock, with the exception of the directors' qualifying shares, is entirely owned by the bank, and is carried in the bank's statement at a value of \$1,489,551.

CORPORATIONS

Bankmont Realty Company Limited

and its wholly-owned subsidiary companies

Consolidated Statement of Assets and Liabilities
as at October 31st, 1966

ASSETS

Cash	\$	207,846
Accounts receivable		2,736
Prepaid expenses		66,162
Real estate and buildings—at cost		
less accumulated depreciation		13,366,083
	\$	<u>13,642,827</u>

LIABILITIES

Accounts payable and accrued expenses	\$	184,494
Loan from Bank of Montreal		3,397,000
4½ % debentures of a subsidiary company		
due May 1st, 1982 (U.S. \$6,000,000)		6,000,000
Capital stock and earned surplus:		
Capital stock —		
Authorized —		
100,000 shares without nominal or par value		
Issued and fully paid —		
81,000 shares	\$4,050,000	
Earned surplus	11,333	4,061,333
		<u>\$ 13,642,827</u>

NOTES:

- (1) The capital stock is entirely owned by the bank and is carried in the bank's statement at a value of \$4,050,000. The bank has offered to subscribe for a further 19,000 shares of the company to be issued at a price of \$50 per share. Debentures of a subsidiary company are also entirely owned by the bank and are carried in the bank's statement at a value of \$5,891,221.
- (2) Bankmont Realty Company Limited owns the entire capital stock of its two subsidiary companies, Hochelaga Realty and Development Company and The St. James Land Company Limited.

Auditors' Report to the Shareholders of the Bank of Montreal

We have examined the statements of assets and liabilities of the above controlled companies as at the dates indicated. Our examinations included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, the accompanying statements of assets and liabilities of the companies present fairly the financial position of the companies as at the dates indicated.

C. W. LEACH, C.A.,
of the firm of McDonald, Currie & Co.
Wm. H. CAMPBELL, C.A.,
of the firm of Campbell, Sharp, Milne & Co.

} Auditors.

Montreal, November 21st, 1966.



Bank of Montreal

FOUNDED IN 1817

Officers at Head Office

Chairman of the Board, President and Chief Executive Officer

G. ARNOLD HART

Executive Vice-President and Chief General Manager

R. D. MULHOLLAND

Senior General Manager and Chief Operating Officer

J. L. WALKER

HEAD OFFICE DEPARTMENTS

*General Manager -
Investments*

W. T. G. HACKETT

*General Manager -
Securities*

T. D. LEWIS

*General Manager -
Personnel Planning*

F. H. McNEIL

*General Manager -
Personnel Administration*

W. A. HOTSON

Secretary

C. W. HARRIS

Planning Coordinator

J. E. TOTEN

Economic Adviser

N. E. CURRIE

Supervisor, Shareholder Services

L. M. BAYLY

DOMESTIC BANKING

General Manager - Domestic Banking

R. L. SHEARD

*General Manager -
Development*

D. W. CASEY

*General Manager -
Credit*

G. N. SCOTT

*General Manager -
Marketing*

L. F. MOORE

Assistant General Manager: W. H. COLLIE

INTERNATIONAL BANKING

General Manager - International Banking

E. R. ERNST

Assistant General Manager

S. T. STRATHY

ADMINISTRATION

General Manager - Administration

B. W. POWER, C.A.

Assistant General Manager: S. A. SHEPHERD

Chief Inspector

A. S. C. BLACK

Comptroller

G. B. CLARKE, C.A.

Chief Accountant

J. F. CLIFF

Officers at Canadian Divisional Points

BRITISH COLUMBIA DIVISION

Vancouver

A. J. ELLIS *General Manager*
W. FORSYTH *Assistant General Manager*
and Manager, Main Vancouver Branch

ALBERTA DIVISION

Calgary

J. B. JONES *General Manager*
H. M. MacDOUGALL *Manager, Main Calgary Branch*

MANITOBA AND SASKATCHEWAN DIVISION

Winnipeg

H. L. McKAY *General Manager*
R. T. W. SALTON *Manager, Main Winnipeg Branch*

ONTARIO DIVISION

Toronto

E. A. ROYCE *General Manager*
M. WINDOW *Assistant General Manager*
F. P. BAINES }
J. B. LESSLIE } *Regional Assistant General Managers*
E. J. KELLEHER }
J. R. McLEAN *Assistant General Manager*
and Manager, Main Toronto Branch

MONTREAL DIVISION

Montreal

D. B. PETERS *General Manager*
G. A. RHÉAUME *Assistant General Manager*
E. C. J. WILSON *Assistant General Manager*
and Manager, Main Montreal Branch

QUEBEC DIVISION

Quebec, P.Q.

M. A. MASSÉ *General Manager*
J. E. JACQUES *Manager, Main Quebec Branch*

ATLANTIC PROVINCES DIVISION

Halifax

T. R. FRANCIS *General Manager*
B. E. ROGERS *Manager, Main Halifax Branch*

Officers Outside Canada

GREAT BRITAIN

London—Main Office, 47 Threadneedle Street, London, E.C.2;
Assistant General Manager for the United Kingdom and Manager, D. R. McCallum
Deputy Manager, H. N. Little

Assistant Managers, S. S. Harris, P. A. Browning, A. M. de Vinny

West End Office, 9 Waterloo Place, London, S.W.1;

Manager, E. M. West
Assistant Manager, C. A. D. Cole

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CONTINENTAL EUROPE

FRANCE

Paris—10, Place Vendôme, Paris 1^{er},
Assistant General Manager for
Continental Europe, C. E. Noblet
Representative, J. G. Paré

FEDERAL REPUBLIC OF GERMANY

Düsseldorf—Königsallee 6,
Representatives,
R. J. R. Bonneland,
H. C. Hartmann

Offices for Armed Forces at Marville and Metz in France, and at
Baden-Baden, Zweibrücken, Soest, Hemer and Werl in Germany

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UNITED STATES

New York, N.Y.—Agency, Bank of Montreal, Two Wall Street, New York 10005.

Assistant General Manager and Chief Agent

G. V. ADAMS

Agents

R. J. Allen

N. Kjeldsen

W. M. Mader

Assistant Agents

T. P. Grimes

W. F. Hudkins

Bank of Montreal Trust Company, Two Wall Street, New York 10005.
President, G. V. Adams; *Vice-Presidents*, R. J. Allen, C. E. Neubaumer;
Secretary, D. Gillies; *Treasurer and Assistant Secretary*, G. W. Jackson

Chicago, Ill.

Resident Representative's Office,
Suite 2700, Board of Trade Bldg.,
141 West Jackson Blvd., Chicago 60604;
Representatives, H. B. Francis, T. A. O'Donnell

Houston, Texas

Resident Representative's Office,
Suite 413,
1021 Main Street, Houston 77002;
Representative, R. C. Howard

BANK OF MONTREAL (California)

San Francisco

333 California Street, San Francisco 94104;
President, C. R. M. Allan
Vice-Presidents, D. B. Jewell, Derek Whittle

Los Angeles

508 South Spring Street,
Los Angeles 90013;
Senior Vice-President, F. R. Southee

DIRECTORS

Resident in San Francisco: C. R. M. Allan, D. B. Jewell, R. D. Mackenzie, Donald Watson, Derek Whittle;
Resident in Los Angeles: John R. Mage, F. R. Southee;
Resident in Vancouver: Harold S. Foley

MEXICO

Mexico City Representative's Office

Avenida Isabel la Catolica 43-704, Mexico 1, D.F.

Representative, Dr. Luis A. Gonzalez

Assistant Representative, William J. Carr



JAPAN

Far East Representative's Office

Tokyo—New Tokyo Bldg., Room 419, No. 2, 3-chome, Marunouchi, Chiyoda-ku.

Representative, R. J. P. Pierce

Assistant Representative, D. A. Jorgensen



**MORE THAN 1,000 OFFICES IN CANADA, THE UNITED KINGDOM AND
CONTINENTAL EUROPE, THE UNITED STATES, MEXICO AND JAPAN**



CARIBBEAN AREA

Affiliate: BANK OF LONDON & MONTREAL LIMITED

Head Office, Nassau, Bahamas

(Owned jointly by Bank of Montreal, Bank of London & South America, Limited,
and Barclays Bank D.C.O.)

37 Offices in The Bahamas, Colombia, Ecuador, El Salvador, Guatemala,
Honduras, Jamaica, Nicaragua, Panama and Trinidad.

In Venezuela the Bank is represented through its shareholdings in
Banco La Guaira Internacional C.A.



DIRECTORS

Chairman: R. D. Mulholland (resident in Montreal)

Deputy Chairmen: Sir George L. F. Bolton, K.C.M.G. (resident in London)

George G. Money (resident in Bridgetown, Barbados).

*Resident in London, England: Sir Julian S. Crossley, J. Graham,
Brian F. Macdona, Hugh Saunders, O.B.E., Frederic Seebohm, Henry F. Tiarks;*

Resident in Montreal: W. A. Arbuckle, G. Arnold Hart, S. T. Strathy;

Resident in Lima, Peru: Jack Ashworth, F.C.A.;

Resident in Nassau, Bahamas: Noé A. Timmins, Jr.

EXECUTIVE OFFICERS

Head office, Nassau, Bahamas — *General Manager: D. G. Mitchell;*

Assistant General Managers: W. E. Parker, E. J. Grimsditch,

L. V. Laxton (resident in Guatemala City)



BANK OF MONTREAL

CANADA'S FIRST BANK

Covers Canada...Spans the World



WORKING WITH CANADIANS IN EVERY WALK OF LIFE SINCE 1817